Defense Supply Center, Columbus

Office of Small and Disadvantaged Business Utilization

Small Business Program Training

Small Business Program Training Categories

Sec. 1 - Set-Asides

Sec. 2 - Small Business Coordination Record

The Purpose and Policy for Small Business Set-Asides

FAR 19.201 (a) and 19.501 (a)

Is to award certain acquisitions exclusively to small business concerns to meet the goal and policy of Government **“to provide maximum practicable opportunities in federal acquisitions to small business.”**

Definitions:

Small Business Concern

FAR 19.001

A business entity organized for profit, including its affiliates, that is independently owned and operated, not dominant in the field in which it is bidding on government contracts, and qualified as a small business under the criteria and size standards in 13 CFR Part 121 (ref. FAR 19.102 and 19.303)

Definitions:

Very Small Business Concern

FAR 19.001

Whose headquarters is located within the geographic area served by a designated SBA district; and which, together with its affiliates, has no more than 15 employees and has average annual receipts that do not exceed $1 million.

Definitions:

"Nonmanufacturer Rule"

FAR 19.001

'Nonmanufacturer rule' means that a contractor under a small business set-aside or 8(a) contract shall be a small business under the applicable size standard and shall provide either its own product or that of another domestic small business manufacturing or processing concern (see CFR 121.406).

***Exception* to the:**

"Nonmanufacturer Rule"

FAR 19.102 (f) (7)

The Small Business Administration provides for an exception to the nonmanufacturer rule where the procurement of a manufactured item processed under the procedures set forth in Part 13 is set aside for small business and where the anticipated cost of the **procurement will not exceed $25,000**. In those procurements, the offeror need not supply the end product of a small business concern as long as the product acquired is manufactured or produced (by different concerns) in the United States.

***Waiver* to the:**

"Nonmanufacturer Rule"

FAR 19.102 (f) (4)

In the case of acquisitions set-aside for small business or awarded under section 8(a) of the Small Business Act, when the acquisition is for a specific product (or a product in a class of products) for which the SBA has determined that there are no small business manufacturers or processors in the Federal market, then the SBA may grant a class waiver so that a nonmanufacturer does not have to furnish the product of a small business.

Definition:

"RULE OF TWO" - Small Business Set-Aside

FAR 19.502-2 (a)

The contracting officer shall set-aside an acquisition for small business participation when there is a reasonable expectation that offers will be obtained from at least two responsible small business concerns that are competitive in terms of market prices, quality, and delivery.

Definition:

Automatic Small Business Set-Asides

FAR 19.502-2 (a)

Except for those acquisitions set aside for very small business concerns (see subpart 19.9), **each acquisition of supplies or services that has an anticipated dollar value exceeding $2,500, but not over $100,000, is automatically reserved exclusively for small business concerns**

Please Note: Procurements over $100,000 are **not** automatically set-aside for small business; therefore, buyers must make a determination as to what type of set-aside applies or whether the procurement is unrestricted (DAG 19.502-2c)

Total Small Business Set-Asides Dissolved

***FAR* 19.502-2 (a)**

If the contracting officer receives only one acceptable offer from a responsible small business concern in response to a set-aside, the contracting officer should make an award to that firm. If the contracting officer receives no acceptable offers from responsible small business concerns, the set-aside shall be withdrawn and the requirement, if still valid, shall be re-solicited on an unrestricted

Total Small Business Set-Asides Dissolved

FAR 19.502-2 (a) - (*Continued*)

If the contracting officer does not proceed with the small business set-aside and purchases on an unrestricted basis, the contracting officer shall include in the contract file the reason for this unrestricted purchase.

Note: The small business reservation does not preclude the award of a contract with a value not greater than $100,000 under Subpart 19.8, Contracting with the Small Business Administration, under 19.1007(c), solicitations

Determine Small Business Set-Aside Eligibility By Dollar Thresholds

1. $2,500 or less
2. $2,501 - $25,000
3. $25,001 - $100,000
4. Over $100,000

- **$2,500 or less**
  Use Micropurchase procedures

Small Business Set-Asides
<u>Do Not Apply</u>

❷ $2,501 – $25,000

FAR 19.502-2 (c)

SBA has excepted procurements processed under the simplified acquisition procedures, where the anticipated cost of the procurement will not exceed $25,000, from the nonmanufacturer rule. Apply the "rule of two." Expectation that offers will be received from at least two small business concerns: offering the products of **different domestic concerns**.

Exception to nonmanufacturer rule

❸ $25,001 - $100,000

DAG 19.502-2 (d)

Apply the “Rule of Two”

Expectation that offers will be received from at least two small business concerns offering the product of same or different small domestic firms (manufacturers)

WAIVER OF NONMANUFACTURER RULE MAY APPLY

CHECK SBA LISTING:

www.sba.gov/GC/nonmanuf.html

Over $100,000

DAG 19.502-2

Apply the “Rule of Two”

Expectation that offers will be received from at least two small business concerns offering the product of different small domestic firms (manufacturers)

WAIVER OF NONMANUFACTURER RULE MAY APPLY

CHECK SBA LISTING:_

www.sba.gov/GC/nonmanuf.html

Partial Set-Asides

FAR 19.502-3

The contracting officer shall set-aside a portion of an acquisition when:

- A Total Set-Aside is not appropriate (19.502-2);
- The requirement is severable in economic lots;
- One or more small business concerns are expected to have the technical and productive competency to satisfy the set-aside portion at a fair market price; and
- Partial set-asides do not apply to micropurchases

Historically Underutilized Business Zone (HUBZone) Program

FAR 19.13

The purpose of this program is to provide Federal contracting assistance for qualified small business concerns located in historically underutilized business zones, in an effort to increase employment opportunities, investment, and economic development in those areas.

HUBZone Program Applicability

FAR 19.1302

Before September 30, 2000, Program was only applicable to the following Federal agencies:

1) Dept. of Agriculture
2) Dept. of Defense
3) Dept. of Energy
4) Dept. of Health HS
5) Dept. of Housing
6) Dept. of Transportation
7) Dept. of Veterans Affairs
8) Environmental Protection
9) General Service Admin
10) National Aeronautics & Space

All Federal agencies that employ one or mo contracting officers after the above date.

Status As a Qualified HUBZone

Small Business Concern

FAR 19.1303

Certified by the Small Business Administration (SBA)

and

Appear on SBA list of certified HUBZone Small Business concerns

current listings are on the Internet at:

http://www.sba.gov/hubzone

Procedure For HUBZone Set-Asides

FAR 19.1305

The contracting officer shall consider competitive HUBZone set-asides before considering HUBZone sole source awards, or small business set-asides. Competition restricted to HUBZones must meet the following criteria:

1. **There is a reasonable expectation that offers will be received from two or more HUBZONE concerns;**
2. **Award will be made at a fair market price.**

rocedure For HUBZone Set-Aside

(*continued*) FAR 19.1305

HUBZone set-asides between $2,500 and $100,000 are at the sole discretion of the contracting officer.

However, the contracting officer is required to use a HUBZone set-aside above the SAT if there is reasonable expectation of receiving creditable offers from two or more HUBZone small business firms.

Set-Aside Program Order of Precedence over SAT

DAG 19.501

❶ 8(a) Program that are also HUBZone certified;

❷ HUBZone set-aside; HUBZone sole source award; 8(a) Program;

❸ Total Small Business set-aside;

❹ Partial Small Business set-aside

SMALL BUSINESS COORDINATION RECORD DD2579

Top 10 Reasons Why The SMALL BUSINESS COORDINATION RECORD (DD2579) is not in the file..

Top 10 Reasons Why
the SMALL BUSINESS COORDINATION RECORD (DD2579)
is not in the file…

10. It’s a small business set aside and you do not need the form…

Top
10
Reasons Why
The SMALL BUSINESS COORDINATION RECORD (DD2579)
is not in the file…

9. My contracting officer said I didn’t have to…

Top
10
Reasons Why
The SMALL BUSINESS COORDINATION RECORD (DD2579)
is not in the file…

8. Where is that in the FAR?…oops, I mean DFARS

Top
10
Reasons Why
The SMALL BUSINESS COORDINATION RECORD (DD2579)
is not in the file…

7. The computer is down, and I have got to get the buys out

Top
10
Reasons Why
The SMALL BUSINESS COORDINATION RECORD (DD2579)
is not in the file…

6. Nobody will notice the form is missing…

Top
10
Reasons Why
The SMALL BUSINESS COORDINATION RECORD (DD2579)
is not in the file…

5. SBA takes too long to review…

Top
10
Reasons Why
The SMALL BUSINESS COORDINATION RECORD (DD2579) is not in the file…

4. DU takes too long to review…

Top
10
Reasons Why
The SMALL BUSINESS COORDINATION RECORD (DD2579)
is not in the file…

3. Somebody took the form out of the folder…

Top
10
Reasons Why
The SMALL BUSINESS COORDINATION RECORD (DD2579)
is not in the file…

2. The dog ate it…

Top
10
Reasons Why
The SMALL BUSINESS COORDINATION RECORD (DD2579)
is not in the file…

1. …What is a 2579?

Small Business Coordination Record

(DD Form 2579)

FAR Guidance

--General Policies -- FAR Subpart 19.201 (d)(10)(A) & (B)

Make recommendations in accordance with agency procedures as to whether a particular acquisition would be awarded under Subpart 19.5 as a small business set-aside, under Subpart 19.8 as a Section 8(a) award, or under Subpart 19.13 as a HUBZone set-aside

Small Business Coordination Record

(DD Form 2579)

DFARS Guidance

DFARS 219.201 (d)(10)(A) and (B)

(A) Reviewing and making recommendation for all acquisitions over $10,000;

(B) Making the review before issue of the solicitation or contract modification and documenting it on DD Form 2579, Small Business Coordination Record

Small Business Coordination Record

(DD Form 2579)

DAG Guidance

SUBPART 19.4 – COOPERATION WITH THE SMALL BUSINESS ADMINISTRATION

19.401 General.

(a) … Requests for DSCC-DU and SBA-PCR review must be made prior to the issuance of the solicitation.

Small Business Coordination Record

(DD Form 2579)

DAG Guidance (continued)

19.401 General.

(b) All requests for DSCC-DU and SBA-PCR review of the DD Form 2579 are to be made via DPACS unless there are extenuating circumstances which would make a manual review preferable. **Examples of when a manual review may be preferable are when the requirement is urgent and must be hand-carried or there is documentation or forms that need to be forwarded that are not available in DPACS.**

Small Business Coordination Record

(DD Form 2579)

DAG Guidance (continued)

SUBPART 19.4 – COOPERATION WITH THE SMALL BUSINESS ADMINISTRATION

(1) The "Mailing List" must be completed prior to completing the DD Form 2579 in order for the list to be attached to the DD Form 2579.

(2) The contracting officer's name must be typed in Block 17d and an X placed in block 17a of the DD Form 2579 in order for DSCC-DU and the SBA-PCR to process the referral. Once the referral is returned, the form is to be printed and the contracting officer is to place their signature in Block 17d.

Small Business Coordination Record

DAG Guidance (continued)

SUBPART 19.4 - COOPERATION WITH THE SMALL BUSINESS ADMINISTRATION

(c) The assigned Required Return Date on the DPACS Small Business Review PR Referral should be six working days from the date the PR is referred if both DSCC-DU and SBA-PCR review is required unless there are extenuating circumstances (for example urgency or "bundling" issues). If SBA-PCR review is not required, use two working days for the Required Return Date. **DSCC-DU and the SBA-PCR have agreed that their offices**

Small Business Coordination Record

DAG Guidance (continued)

SUBPART 19.4 - COOPERATION WITH THE SMALL BUSINESS ADMINISTRATION

(d) When exercising an option, completion and review of a new DD Form 2579 is not required if the option quantity and dollar amount were included on the original DD Form 2579 submitted for review with the solicitation.

(e) A copy of the completed DD Form 2579 with all of the applicable signatures is

Small Business Coordination Record

DAG Guidance (continued)

SASPS Phase II RFQs and PACE rejects do not require a DD2579 and presolicitation review by DSCC-DU because the system makes the set-aside decision. Therefore, when buyers receive these PRs, they do not need to prepare or route a DD2579 to DSCC-DU **unless** one of following circumstances applies:

The buyer wants to dissolve or change the type set-aside.

Small Business Coordination Record

DAG Guidance (continued)

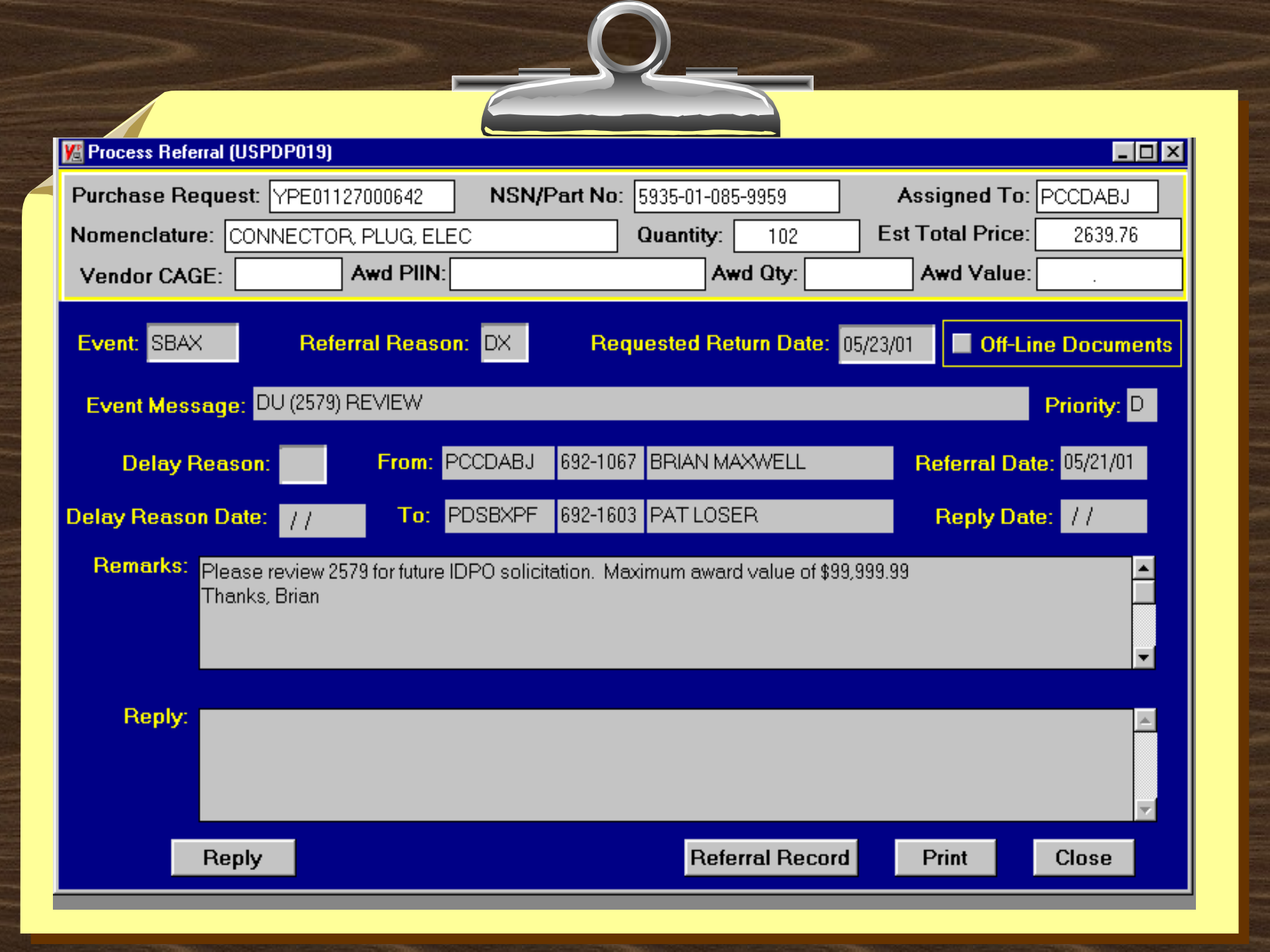
The Solicitation Estimate is based on the estimated value at the time the solicitation is created. Therefore, the buyer does not have to recreate or reroute a DD2579 if the quotes received cause the solicitation value to exceed the original estimate, unless one of the following circumstances applies:

The buyer wants to dissolve or change the type set-aside.

The buyer wants to issue a completely new solicitation which will have a different

KO, SADBUS (DSCC-DU) & SBA-PCR REVI

DOLLAR AMT	KO	DU	SBA
Under $2,500	N/A	N/A	N/A
$2,500 -$10,000	X	N/A	N/A
$10, 000 and above	X	X	N/A
Over $100,000	X	X	X


Process Referral (USPDP019)
Purchase Request: YPE01127000642
NSN/Part No: 5935-01-085-9959
Assigned To: PCCDABJ
Nomenclature: CONNECTOR, PLUG, ELEC
Quantity: 102
Est Total Price: 2639.76
Vendor CAGE:
Awd PIIN:
Awd Qty:
Awd Value:
Event: SBAX
Referral Reason: DX
Requested Return Date: 05/23/01
Off-Line Documents
Event Message: DU (2579) REVIEW
Priority: D
Delay Reason:
From: PCCDABJ 692-1067 BRIAN MAXWELL
Referral Date: 05/21/01
Delay Reason Date: / /
To: PDSBXPF 692-1603 PAT LOSER
Reply Date: / /
Remarks:
Please review 2579 for future IDPO solicitation. Maximum award value of $99,999.99
Thanks, Brian
Reply:
Reply
Referral Record
Print
Close

SMALL BUSINESS COORDINATION RECORD

REPORT CONTROL SYMBOL			
1. CONTROL NO. *(OPTIONAL)*	2. PURCHASE REQUEST NO./ REQUISITION NO.	3. TOTAL ESTIMATED VALUE (Including options)	4. SOLICITATION NO./CONTRACT MODIFICATION NO.
	FPE01071000792	$ 50300.00	SP0905-01-Q-7599

5.BUYER

a. NAME *(Last, First, Middle Initial)*	b. OFFICE SYMBOL	c. TELEPHONE *(Include Area Code)*
Peggy Morgan, PCCPBGM	PCCMBGM	(614) 692-5391

6. ITEM DESCRIPTION *(Including quantity)*	6a. FEDERAL SUPPLY CLASS/SERVICE *(FSC/SVC)* CODE
See Attached Page	5999

7. TYPE OF COORDINATION *(X one)*						8. SMALL BUSINESS SIZE STANDARD		
X	a. INITIAL CONTRACT		b. MODIFICATION		c. WITHDRAWAL	a. NAICS CODE **334419**	b. NO. OF EMPLOYEES **500**	c. DOLLARS

9. RECOMMENDATION *(X as applicable)*			10. ACQUISITION HISTORY *(X one)*	
YES	NO	*(If all recommendations are "No," explain in Remarks.)*		a. FIRST TIME BUY
	X	a. SECTION 8(A) *(X one)*	X	b. PREVIOUS ACQUISITION *(X all that apply)*
		(1) Competitive ( ) (2) Sole Source ( )		(1) Section 8(A)
	X	b. SMALL DISADVANTAGED BUSINESS (SDB) SET-ASIDE		(2) SDB Set-Aside
	X	c. HISTORICALLY BLACK COLLEGES AND UNIVERSITIES/MINORITY INSTITUTIONS (HBCU/MI) SET-ASIDE *(List percentage)* %		(3) HBCU/MI Set-Aside
				(4) SB Set-Aside
	X	d. SMALL BUSINESS (SB) SET-ASIDE *(List percentage)* %		(5) SB - SP Set-Aside
	X	e. EMERGING SMALL BUSINESS SET-ASIDE	X	(6) Other *(Specify)* **UNRESTRICTED**
	X	f. EVALUATION PREFERENCE FOR SDBs		(7) Two or more responsive SB offers on prior acquisition
	X	g. SMALL BUSINESS-SMALL PURCHASE (SB-SP) SET-ASIDE		(8) One or more responsive SDB offer(s) within 10% or award price of prior acquisition

11. SB PROGRESS PAYMENTS *(X one)*				12. SUBCONTRACTING PLAN REQUIRED *(X one)*				13. SYNOPSIS REQUIRED *(X one)*			
	a. YES	X	b. NO		a. YES	X	b. NO		a. YES	X	b. NO *(If "No," cite FAR 5.202 exception)*

14. REMARKS

Basis for Dissolving Total Small Business Set-Aside Under Simplified Acquisition Threshold:
Only available from a large manufacturer.

14. REMARKS
Basis for Dissolving Total Small Business Set-Aside Under Simplified Acquisition Threshold:
Only available from a large manufacturer.

15. REVIEWED BY SMALL BUSINESS ADMINISTRATION (SBA) REPRESENTATIVE		16. LOCAL USE
a. NAME *(Last, First, Middle Initial)*		
b. SIGNATURE	c. DATE SIGNED *(YYMMDD)*	

17. CONTRACTING OFFICER *(X one)*				18. SMALL BUSINESS SPECIALIST *(X one)*			
	a. CONCURS		b. REJECTS	X	a. CONCURS		b. APPEALS
c. RECOMMENDATIONS *(Document rejections on reverse side)*				**NOTE:** Any change in the acquisition plan this coordination record describes will require return for re-evaluation by the SB specialist.			
d. NAME *(Last, First, Middle Initial)* **ROCHELLE ANDERSON**				c. NAME *(Last, First, Middle Initial)* **PAT LOSER**			
e. SIGNATURE	f. DATE SIGNED *(YYMMDD)*			d. SIGNATURE	e. DATE SIGNED *(YYMMDD)* **2001 MAY 25**		

DD FORM 2579, APR 1999 *(EG)*

PerFORM

CONTINUATION SHEET	Purchase Request Number: FPE01071000792	PAGE 2 OF PAGES 2

PR: FPE01071000792 PR TOTAL PRICE: $ 50300.00

ITEM	NSN	DESCRIPTION	QTY	UNIT PRICE
0001	5999-00-463-7490	MAGNET,PERMANENT	50	$1006

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PURCHASE HISTORY:

DATE	QTY	U/P	METHOD OF ACQUISITION SEALED BID	NEGOTIATED	COMPETITIVE BIDS/OFFERS NUMBER	$ RANGE
1990 OCT 31	88	$ 166.00000		YES		
1991 JUN 12	129	$ 160.00000		YES		

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SOURCE LIST:

CAGE	VENDOR NAME	SIZE	OWNER	TYPE
39147	STD PRECISION GEAR AND INSTRUMENT			

SMALL BUSINESS PROGRAM GOALS FY 2002

Small Business
57.7%

Small Disadvantaged Business
3.57%

Women Owned Small Business
4.2%

HUBZone Small Business **2.5%**

Service Disabled Veteran Owned Small Business
3.0%

Questions/Discussion